



**SOUTH BAY UNION
SCHOOL DISTRICT**

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PATRICK PETTIT, Ed. D.

District Superintendent

"Molding The Future"

March 25, 2004

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FCC - MAILROOM

Office of the Secretary Federal Communications Commission
445 12th Street Southwest
Washington D.C. 20554

RE: CC Docket No. 02-6 – Petition for Waiver

Dear Commission:

South Bay Union School District joins Sprint Corporation in seeking a waiver of Section 54.502 of FCC Rules, to the extent that this rule prohibits granting Priority 1 E-rate funding for PBX as part of an existing end-to-end telecommunications service arrangement.

In E-rate funding years 2001 and 2002 South Bay Union School District received funding for an end-to-end telecom service including a PBX lease contract. This funding covered two years of a seven-year agreement. We entered this contract based on our understanding from USAC that this service was eligible.

South Bay Union School District relied on this funding when developing its technology budget plan. The abrupt rule change has caused considerable financial strain. The District is faced with the financial challenges of significant budget cuts for the upcoming fiscal year due to both declining enrollment and the current California state budget crisis. Enforcement of this order would force the District to incur the total cost of the lease for the remaining five years. If the District is forced to incur the full cost of this service contract critical instructional needs will suffer reductions.

South Bay Union School District requests a waiver for the remaining five years of the multi-year end-to-end service contract, from E-rate year 2003-04 through E-rate year 2007-08.

Thank you for your consideration.

Sincerely yours,

Walter Freeman
Assistant Superintendent
Business Services

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List ABCDE

c: Chief Bill Mayer
Wireline Competition Bureau

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